



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA  
Internal Audit Executive

July 25, 2012

FILE COPY

David Kutchback, Chief Executive Officer  
MERS/Goodwill  
1727 Locust  
St. Louis, MO 63103

RE: Workforce Investment Act (WIA) (Project #2012-SLATE06)

Dear Mr. Kutchback:

Enclosed is a report of the fiscal monitoring review of MERS/Goodwill, a not-for-profit organization, WIA program, for the period July 1, 2011 through March 31, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of MERS/Goodwill. Fieldwork was completed on May 9, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Michael K. Holmes, Executive Director, SLATE  
David Hankins, Accounting Manager/Grants, MERS/Goodwill  
DaWayne Barnett, Chief Financial Officer, MERS/Goodwill  
Hilary Wagner, Program Services/Grant, MERS/Goodwill



# CITY OF ST. LOUIS

**ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)  
WORKFORCE INVESTMENT ACT (WIA)**

**MERS/GOODWILL  
CONTRACTS #112-12, # 211-12 AND #212-12  
CFDA #17.258 AND 17.259**

**FISCAL MONITORING REVIEW**

**JULY 1, 2011 THROUGH MARCH 31, 2012**

**PROJECT # 2012-SLATE06**

**DATE ISSUED: JULY 25, 2012**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS**  
**ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)**  
**WORKFORCE INVESTMENT ACT (WIA)**  
**MERS/GOODWILL**  
**FISCAL MONITORING REVIEW**  
**JULY 1, 2011 THROUGH MARCH 31, 2012**

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## INTRODUCTION

### Background

**Contract Name:** MERS/GOODWIL

**Contract Numbers:** 112-12,  
211-12,  
212-12

**CFDA Number:** 17.258  
17.259

**Contract Period:** July 1, 2011 through June 30, 2012

**Contract Amount:** \$ 57, 000 (112-12)  
\$125,000 (211-12)  
\$231,109 (212-12) (Revised)

The contract provided workforce investment act (WIA) funds to MERS/Goodwill to provide services to adults (112-12), in-school youth (211-12) and out of school youth (212-12), seeking benefits planning, vocational rehabilitation, testing for basic skills deficiency, leadership and interviewing skills, follow-up and ,other employment support programs in the St. Louis Area.

### Purpose

The purpose was of the review was to determine the Agency's compliance with federal, state and local St. Louis Agency on Training and Employment (SLATE) requirements for the period July 1 , 2011 through March 31, 2012, and make recommendations for improvements as considered necessary.

### Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by SLATE. Evidence was tested supporting the reports the Agency submitted to SLATE and other procedures were performed as considered necessary. Fieldwork was completed on May 9, 2012.

### Exit Conference

An exit conference was offered to the agency, but the agency declined on June 18, 2012.

## **SUMMARY OF OBSERVATIONS**

### **Conclusion**

No evidence was to suggest that the agency did not fully comply with federal, state and local SLATE requirements.

### **Status of Prior Observations**

The agency's previous fiscal monitoring report, Project#2011-SLATE08, issued June 29, 2011, contained no observations.

### **A-133 Status**

The Agency did expend more than \$500,000 in federal funds for its fiscal year ended December 31, 2010; and therefore was required to have an A-133 Audit.

The report was dated March 30, 2011 and rendered unqualified opinions on the general-purpose financial statements and major federal award programs. There were no instances of noncompliance material to the financial statements or significant deficiencies related to the major federal awards.

The Agency qualified as a low-risk auditee.

### **Summary of Current Observations**

There were no current observations.